

SENATE BILL No. 405

DIGEST OF INTRODUCED BILL

Citations Affected: IC 16-18-2-82.8; IC 16-28-8.

Synopsis: Health facility receiverships. Requires a receiver appointed for a health facility to request a court to close the health facility under certain conditions. Permits the state to recover costs incurred by the state as the result of the receivership.

Effective: July 1, 2002.

Miller

January 10, 2002, read first time and referred to Committee on Corrections, Criminal and Civil Procedures.

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Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

SENATE BILL No. 405

A BILL FOR AN ACT to amend the Indiana Code concerning health.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 16-18-2-82.8 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2002]: **Sec. 82.8. "Cost of receivership", for**
4 **purposes of IC 16-28-8, has the meaning set forth in IC 16-28-8-0.5.**

5 SECTION 2. IC 16-28-8-0.5 IS ADDED TO THE INDIANA CODE
6 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
7 1, 2002]: **Sec. 0.5. As used in this chapter, "cost of receivership"**
8 **includes the costs of placing a receiver in a health facility and all**
9 **expenditures and attorney's fees incurred by the receiver to**
10 **operate the health facility while the health facility is in**
11 **receivership.**

12 SECTION 3. IC 16-28-8-5 IS AMENDED TO READ AS
13 FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 5. (a)** Unless a health
14 facility is ordered to be closed within one hundred twenty (120) days,
15 the receiver shall operate the health facility subject to the same
16 standard and rate criteria that apply to all health facilities licensed
17 under IC 16-28-2.



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(b) If:

- (1) a health facility's license is revoked under IC 16-28-3;
- (2) the health facility is decertified from the Medicaid program and the health facility is not recertified within ninety (90) days after the decertification; or
- (3) there is an immediate or a direct, serious, adverse effect on the health, safety, security, rights, or welfare of the health facility's patients;

the receiver shall relocate the health facility's patients.

SECTION 4. IC 16-28-8-7, AS ADDED BY P.L.210-1999, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 7. (a) The costs of **the receivership, including the cost of** placing a receiver in a health facility ~~excluding and~~ the cost of the receiver's bond, shall be paid by

- (1) ~~the health facility, if the receiver is not a state employee; or~~
- (2) ~~the state, if the receiver is a state employee: the owner or operator of the health facility.~~

(b) If the receiver is a state employee, the state shall pay the receiver's salary.

(c) Any cost of receivership paid by the state for the receivership of a health facility is a preferred claim against the receivership estate. The state may file a claim against the health facility or the health facility's assets and resources for recovery of any administrative expense incurred by the state under this chapter.

(d) Any asset or resource of the health facility may be used to:

- (1) fund the cost of receivership; and
- (2) reimburse any expenditure made by the state under this chapter.

(e) Notwithstanding any other law, a claim filed under this section has priority above any other claim or lien except for a prior recorded tax lien.

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